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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON

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93-253

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Ralph M. Hall
House of Representatives
2236 Rayburn House Office Bldg.
Washington, DC 20515-4304

93-253

Dear Congressman Hall:

This is in response to your letter of September 15, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. You state that PCS should be provided expeditiously in rural areas and make certain recommendations on service areas and build-out requirements.

On September 23, 1993, the Commission adopted final rules in the PCS proceeding. The Commission allocated 120 megahertz of spectrum for licensed PCS. The Commission decided to adopt Basic Trading Areas (BTAs) and Major Trading Areas (MTAs) for service areas; 60 megahertz of spectrum was allocated for BTAs and 60 megahertz for MTAs. For build-out requirements, the Commission will require licensees to offer service to at least one-third of the population in each market area within five years of being licensed, two-thirds of the population within seven years, and 90 percent of the population within ten years. In a companion Notice of Proposed Rule Making in PP Docket No. 93-253, the Commission sought comment on licensing preferences in two channel blocks totalling 30 megahertz of spectrum for rural telephone companies, small businesses, and businesses owned by minorities and women. The Commission concluded that this combination of service areas, build-out requirements, and proposed preferences would foster the provision of PCS service in rural as well as urban America.

The Commission's action is designed to ensure the expeditious provision of PCS in both urban and rural areas. I am attaching the press releases of GEN Docket No. 90-314 and PP Docket No. 93-253 that more fully describe the Commission's actions.

Sincerely,

James H. Quello
Chairman

Enclosures

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September 15, 1993

The Honorable James H. Quello
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Chairman Quello:

We are writing to advise you of our interest in the decision you and your colleagues will be making later this month with regard to an exciting new technology -- personal communications services (PCS). We want to ensure that the Commission takes into consideration the need to fashion a plan which maximizes the likelihood that PCS will reach rural America within a reasonable time frame and not become a service available only in and near major metropolitan areas. Our constituents are as eager to make use of PCS as are those living in more densely populated regions of the nation.

We understand that you are considering a proposal to assign PCS licenses for large geographic areas referred to as Major Trading Areas (MTAs). We are concerned that a recipient of a license for such a large geographic area could fulfill the obligation to provide service without providing adequate service in the rural communities within the MTA.

In order to avoid this outcome, we would urge the Commission to:

- * Assign licenses to geographical areas in such a way that licensees will be required to provide service in rural areas as well as in major metropolitan areas. We believe this goal is best met by making the license areas as small as economically practical. The MSA/RSA model used for the distribution of cellular licenses has worked well to ensure the provision of service to smaller communities, and we would urge the Commission to adopt that model.
- * Require licensees to "build out" these areas within a specific time frame, with "build

The Honorable James H. Quello

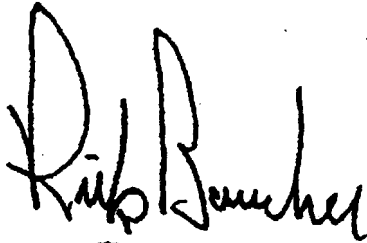
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out" being defined in terms of a percentage of geographic area covered rather than in terms of a percentage of population served. We would suggest that the percentage of geographic area required to be covered be as close to 100% as is practical.

- * In addition to requiring licensees to "build out" within a specific period of time, require licensees to make progress over that time period in serving the entire geographical area. We want to ensure that rural areas are not the last to be served as the "build out" proceeds.

We appreciate your consideration of our views on this matter.

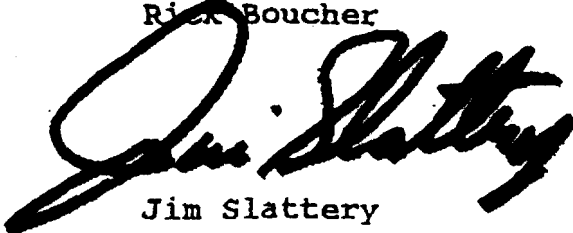
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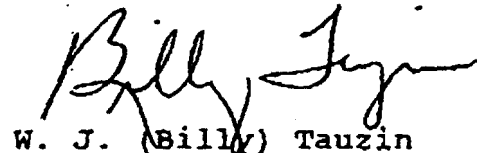
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Mike Synar



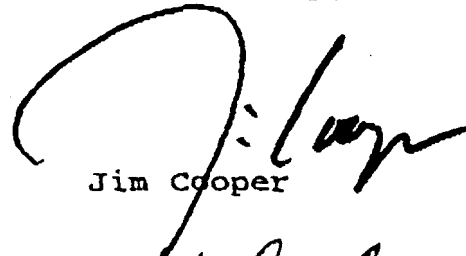
Jim Slattery



W. J. (Billy) Tauzin



Ralph M. Hall



Jim Cooper



Blanche Lambert



Michael Crapo

cc: The Honorable Andrew C. Barrett
The Honorable Ervin S. Duggan